

8-234A0661

RECORDATION NO. 9753 Filed 1425

No.

Date OCT 11 1978

Fee \$100.00

RECORDATION NO.

9753 Filed & Recorded

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OCT 11 1978 - 9 40 AM

INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C. OCT 11 1978 - 9 40 AM

October 11, 1978

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INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION No. 9753 Filed 1425

Secretary  
Interstate Commerce Commission  
Washington, D. C. 20423

OCT 11 1978 - 9 40 AM

INTERSTATE COMMERCE COMMISSION

Dear Sir:

Enclosed for filing and recording pursuant to Section 20c of the Interstate Commerce Act are the following documents relating to the railroad equipment described and marked in accordance with Schedule I attached hereto:

(1) Loan and Security Agreement dated as of September 21, 1978 between Manufacturers Hanover Leasing Corporation and BRAE Corporation; Supplement No. 1 thereto dated as of October 10, 1978.

(2) Lease Agreement dated as of February 23, 1978 between BRAE Corporation and Ashley, Drew & Northern Railway Company (including Riders No. 1 and 2 and Equipment Schedules No. 1 and 2); Amendment No. 1 thereto dated as of April 28, 1978.

The names and addresses of the parties to the above transactions are as follows:

(1) Loan and Security Agreement

(a) Lender: Manufacturers Hanover Leasing Corporation  
30 Rockefeller Plaza  
New York, New York 10020

(b) Debtor: BraeLease Corporation  
Three Embarcadero Center  
San Francisco, California 94111

(2) Lease Agreement

(a) Lessor: BraeLease Corporation  
Three Embarcadero Center  
San Francisco, California 94111

RECEIVED

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I.C.C.  
FEE OPERATION BR.

*Schedule as shown  
in Transmittal Letter*

SCHEDULE I

<u>Quantity</u>	<u>Type</u>	<u>Identifying Numbers (Both Inclusive)</u>	<u>Markings</u>
300	70-Ton Box cars, AAR Class XM	ADN 9000- ADN 9299	"Mortgaged to a Financial Institution under a Security Agreement filed under the Interstate Commerce Act, Section 20c"
50	70-Ton Box cars, AAR Class XL	ADN 5000- A DN 5049	"Mortgaged to a Financial Institution under a Security Agreement filed under the Interstate Commerce Act, Section 20c"

(b) Lessee: Ashley, Drew & Northern  
Railway Company  
Crossett, Arkansas

(c) Assignee: Manufacturers Hanover  
Leasing Corporation  
30 Rockefeller Plaza  
New York, New York 10020

BRAE Corporation, the corporation which originally executed both the Loan and Security Agreement and the Lease Agreement, was merged into its wholly-owned subsidiary, BraeLease Corporation, on September 27, 1978. Pursuant to such merger, BraeLease Corporation assumed all of the rights and obligations of BRAE Corporation. Accordingly, BraeLease Corporation, as the successor to BRAE Corporation, is now party to both such Agreements.

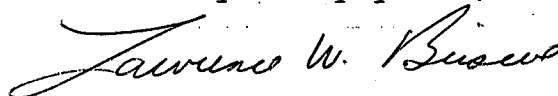
The Loan and Security Agreement also functions as an assignment of the Lessor's interest in the Lease Agreement to the Lender. It constitutes such an assignment, however, only to the extent that the Lease Agreement relates to the railroad equipment described in Schedule I hereto. The Lease Agreement also relates to additional railroad equipment and to that extent the Lessor's interest has not been assigned to the Lender by the Loan and Security Agreement.

Also enclosed is our check payable to the order of the Interstate Commerce Commission in the amount of \$100, the prescribed fee for filing and recording the enclosed documents.

Please file and record the enclosed documents and cross-index them under the names of, in the case of the Loan and Security Agreement, the Lender and the Debtor (both BraeLease Corporation and its predecessor, BRAE Corporation) and, in the case of the Lease Agreement, the Lessor (both BraeLease Corporation and its predecessor, BRAE Corporation) and Lessee.

Return to the person presenting this letter, together with your letter confirming such filing and recordation and your fee receipt therefor, all counterparts of the enclosed documents not required for filing.

Very truly yours,



Vice President

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

10/11/78

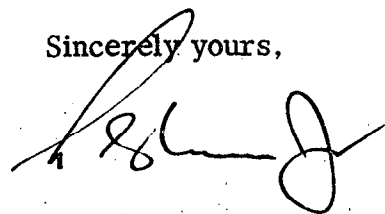
OFFICE OF THE SECRETARY

Lawrence W. Briscoe, Vice Pres.  
Brae Lease Corporation  
Three Embarcadero Center  
San Francisco, Calif. 94111

Dear Sir:

The enclosed document(s) was recorded pursuant to the  
provisions of Section 20(c) of the Interstate Commerce Act,  
49 U.S.C. 20(c), on 10/11/78 at 9:40am ,  
and assigned recordation number(s) 9753, 9753-A, 9753-B, 9753-C

Sincerely yours,



H.G. Homme, Jr.,  
Acting Secretary

Enclosure(s)

SE-30-T  
(2/78)

OCT 11 1978 -9 40 AM

INTERSTATE COMMERCE COMMISSION

AMENDMENT NO. 1 dated as of April 28, 1978, to  
Lease Agreement dated as of February 23, 1978  
(the "Agreement"), between BRAE CORPORATION, a  
California Corporation ("BRAE"), and ASHLEY,  
DREW & NORTHERN RAILWAY COMPANY, an Arkansas  
Corporation ("Lessee").

Lessee and BRAE desire to amend the Agreement as hereinafter  
provided. Accordingly BRAE and Lessee hereby agree as follows:

1. The Agreement is amended by deleting Section 8B in  
its entirety and inserting in its place the following Section:

"B. Upon the occurrence of an Event of Default by Lessee, BRAE at its option may terminate this Agreement. Upon the occurrence of an Event of Default by BRAE which has the effect of delaying for a period of greater than 30 days payments otherwise due Lessee pursuant to the terms of this Agreement or which causes Lessee to lose the right to utilize the Boxcars for a period of greater than 30 days, and such Event of Default is not cured (including the reinstatement of Lessee's right to utilize the Boxcars and the payment in full of any delayed payments) within 30 days, Lessee may at its option terminate this Agreement. Upon the occurrence of any Event of Default, BRAE or Lessee if not then in default may, at its respective option, proceed by appropriate court action to enforce performance by the defaulting party of its obligations under the terms of this Agreement or to recover damages for the breach thereof. Lessee and BRAE agree that the defaulting party shall bear the costs and expenses, including reasonable attorney's fees, of any such action. Upon an Event of Default solely of Lessee, BRAE may, by notice in writing to Lessee, terminate Lessee's right of possession of the Boxcars, whereupon all right and interest of Lessee in the Boxcars shall terminate; and thereupon BRAE may by its agent enter upon any premises where the Boxcars may be located and take possession of them and thenceforth hold, possess and enjoy the same free from any rights of Lessee. BRAE shall nevertheless have a right to recover from Lessee any and all rental amounts which under the terms of this Agreement may then be due or which may have accrued to that date."

2. The Agreement is further amended by deleting  
Section 8A(v) in its entirety and inserting in its place the following  
Section:

"(v) The subjection of any of BRAE's property which is the  
subject of this Agreement, or any of Lessee's property, to any  
levy, seizure, assignment, application or sale for or by any  
creditor or governmental agency."

3. Any terms used herein which are not specifically defined  
herein but which are defined in the Agreement shall, when used herein,  
have their respective meanings defined in the Agreement.

4. Except as expressly amended hereby, the Agreement shall  
remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this  
Amendment No. 1 to be executed by their duly authorized officers, as of  
the date first above written.

BRAE CORPORATION

BY 

ASHLEY, DREW & NORTHERN RAILWAY COMPANY

BY 

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CITY AND COUNTY OF SAN FRANCISCO

Nancy D. Seltman

My commission expires: 9-11-81



STATE OF Arkansas

COUNTY OF Ashley

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)  
)  
SS.

On this 28th day of April, 1978 before me personally appeared S. R. Ledder, known to me personally, who being by me duly sworn says that he is the President of ASHLEY, DREW & NORTHERN RAILWAY COMPANY, that the foregoing Amendment No. 1, the Lease Agreement dated as of February 23, 1978 and Riders No. 1 and 2 and Equipment Schedules No. 1 and 2 thereto were all executed on behalf of such corporation by authority of its board of directors, and he acknowledged that the execution of such instruments were the free acts and deeds of such corporation.

Cara Sue Gile

Notary Public

My commission expires: 1-20-81